

CITY OF HOLLISTER

REPORT OF CERTIFIED PUBLIC ACCOUNTANT
and
FINANCIAL STATEMENTS
with
SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2002

GRACE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
341 FIRST STREET
HOLLISTER, CALIFORNIA 95023

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CITY OF HOLLISTER

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GRACE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
PERSONAL FINANCIAL SPECIALISTS

MICHAEL E. GRACE, CPA, PFS

BETTE F. GRACE, CPA, PFS

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council
Of the City of Hollister:

We have audited the accompanying general purpose financial statements of the City of Hollister, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Hollister's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hollister, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2002, on our consideration of the City of Hollister's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis, and is not a required part of the general purpose financial statements of the City of Hollister. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Grace & Associates CPAs

October 31, 2002
Hollister, California

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FINANCIAL STATEMENTS

CITY OF HOLLISTER

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE YEAR ENDED JUNE 30, 2002

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE
ASSETS:				
Cash and investments	\$ 16,810,504	\$ 4,941,315	\$ 49,137,022	\$ 22,267,378
Receivables:	-	-	-	-
Accounts	94,295	7,857	148,430	494,713
Accrued interest	192,196	-	89,494	-
Notes receivable	20,500	1,208,276	2,325,947	-
Due from other funds	-	60,629	100,000	1,384,584
Due from other Governments	780,036	1,785,709	-	-
Inventories and prepaid expenses	7,006	-	-	-
Fixed assets-net of accumulated depreciation	-	-	-	16,566,618
Amount to be provided for retirement of:	-	-	-	-
Compensated absences	-	-	-	-
Tax allocation bonds	-	-	-	-
Long Term Debt - General Fund	-	-	-	-
TOTAL ASSETS	\$ 17,904,537	\$ 8,003,786	\$ 51,800,893	\$ 40,713,293
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 589,194	\$ 64,562	\$ 3,199,457	\$ 502,315
Cash overdraft	-	685,861	-	1,709,583
Accrued liabilities	2,715,424	13,117	-	31,273
Deposits payable	1,112,030	-	296,906	181,504
Due to employees for deferred comp	-	-	-	-
Deferred revenue	813,516	943,168	-	-
Special Assessment debt	-	-	-	-
Long term debt payable	-	-	-	14,825,000
Due to other funds	13,502	1,431,711	100,000	-
Due to other Governments	-	200,457	-	1,106,915
TOTAL LIABILITIES	5,243,666	3,338,876	3,596,363	18,356,590
FUND BALANCE				
Investment in general fixed assets	-	-	-	-
Retained earnings	-	-	-	12,333,688
Contributed capital	-	-	-	6,959,754
Restricted	115,000	-	-	1,200,000
Reserved	-	-	15,193,539	1,863,261
Unreserved	12,545,871	4,664,910	33,010,991	-
TOTAL FUND BALANCE	12,660,871	4,664,910	48,204,530	22,356,703
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,904,537	\$ 8,003,786	\$ 51,800,893	\$ 40,713,293

See accompanying notes to financial statements

FIDUCIARY FUND TYPES		ACCOUNT GROUPS		
AGENCY		FIXED ASSETS	LONG-TERM DEBT	(MEMORANDUM ONLY)
\$	4,732,837	\$ -	\$ -	\$ 97,889,056
	-	-	-	
	5,888,800	-	-	6,634,095
	-	-	-	281,690
	-	-	-	3,554,723
	-	-	-	1,545,213
	-	-	-	2,565,745
	-	-	-	7,006
	-	18,148,489	-	34,715,107
	-	-	-	
	-		-	
	-	-	70,011	70,011
	-	-	13,800,000	13,800,000
	-	-	1,427,019	1,427,019
\$	10,621,637	\$ 18,148,489	\$ 15,297,030	\$ 162,489,665
\$	35,196	\$ -	\$ -	\$ 4,390,724
	-	-	-	2,395,444
	-	-	-	2,759,814
	-	-	-	1,590,440
	3,236,188	-	-	3,236,188
	-	-	-	1,756,684
	7,350,253	-	-	7,350,253
	-	-	15,297,030	30,122,030
	-	-	-	1,545,213
	-	-	-	1,307,372
	10,621,637	--	15,297,030	56,454,162
	-	18,148,489	-	18,148,489
	-	-	-	12,333,688
	-	-	-	6,959,754
	-	-	-	1,315,000
	-	-	-	17,056,800
	-	-	-	50,221,772
	--	18,148,489	--	106,035,503
\$	10,621,637	\$ 18,148,489	\$ 15,297,030	\$ 162,489,665

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